

WORKING PAPERS

CO-OPERATING IN A
JOBLESS SOCIETY:
A STUDY IN GREATER TURIN

Giuseppe Bonazzi



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In many western countries in recent years we have seen a renewal of interest in the phenomenon of the co-operative. This interest has been created by the spread of a co-operative movement which in some ways represents a departure from traditional models of co-operation.

Three factors have often been mentioned as distinguishing the novelty of the phenomenon (Stern, 1983; Sommer, 1984a, 1984b; Daudi and Sotto, 1985; Rei, 1985; Spear, 1985). The most important is seen as the process of de-industrialisation, which leads to an increase in the pool of those who have been made unemployed from the central productive sectors of the economy. The expulsion of these core workers (garantiti) creates a number of people interested in the idea of co-operatives, who have resources of knowledge, trade skills, experience of life, and expectations and needs different from those who have traditionally been involved in setting up co-ops - whether these have been workers on the periphery of the economy, or whether they have been people closely involved in the established co-op area. The second factor is generally seen as the crisis in state welfare institutions - which opens up a space for local community initiatives, mainly oriented

towards the provision of social or welfare services. This implies the growth of a service sector to go alongside the areas of production and distribution where co-operatives have more traditionally operated; and also the emergence of areas of activity which are funded by public bodies, and thus, at least to a certain extent, removed from a situation of pure market competition. The third factor finally, is often seen as an increased ecological sensitivity of the younger generation, and, more in general, a desire to pursue in one's work alternative, post-materialistic values (Rotchild-Whitt, 1979, 1981; Schneider, 1985). In this third factor, elements of a culture with legitimating functions may be seen - in the sense that a fit is guaranteed between the ideology and the co-operative practice (Brown, 1985).

These factors taken together are frequently taken to imply an idea which is not always made explicit: that there exist the pre-conditions for the growth of a sector which can establish itself as an alternative to the classical capitalist enterprise (Rotchild-Whitt, 1981; Bradley and Gelb, 1984).

We would argue however, that there are substantial reasons for suspecting that there is a strong element of wishful thinking here, especially as far as the potential for quantitative expansion is concerned. On the whole, the

co-op revival seems a long way from being able to act as a credible solution to the problem of the unemployment induced by technological progress. This would seem to be as true for the Italian regions affected by the problem as for other areas. Our investigations into the Province of Turin - which is well-known as being one of the provinces in Italy most affected by the expulsion of workers from the core sectors of the economy - have revealed no more than around forty co-ops formed in the last five years by workers made redundant, or by those who had a position on the fringes of the economy. Moreover, almost all of these are small or very small (20 members), and many exist only on the drawing-board.

The fact that this is, in quantative terms, a phenomenon of limited dimensions, does not, however, detract from the sociological interest of investigating the constituent dynamics of the co-ops which do exist, or of seeing what they are like and how they function. For this purpose, research was carried out on a sample of sixteen cases - sixteen co-operatives set up in the urban area of Turin in the wake of the employment crisis (1). The aim of the analysis was to suggest an interpretative model capable of explaining the following:

- a) the choice of sector of activity and the level of commercial success;
- b) how the leadership gets its legitimation, and some of the ways in which it operates;
- c) the prospectives for development in terms of the internal democracy-economic efficiency dilemma.

1. The theses of the research: mode of origin and historical specificity of the social environment

To achieve the above research aims, a typology of the co-operatives examined will be drawn up, based on the way in which they originated. For the first thesis of the research is that a "longitudinal" perspective which brings out the circumstances in which the co-ops were founded, and the choices made by the founding members even before their official opening, provides certain important elements for understanding their subsequent development. This thesis may be seen as having certain links with the cultural approach which emphasises the life-cycle as a key concept for the analysis of organisations (Pettigrew, 1979; Kimberly and Miles, 1980; Batstone, 1983; Zan, 1982; Allaire and Firsirotu, 1984). In particular, our thesis is close to that adopted by Gherardi and Masiero (1985), who studied co-ops similar to those in our sample and proposed a distinction between co-operatives which were founded, and co-operatives which resulted from a coalition. In this typology, co-operatives which are founded take their impetus from the founding group itself, they are predominantly composed of ex shop-floor workers, they have a charismatic leadership, are instilled with egalitarian values and alternative working practices, have a high ideological-emotional commitment, operate via work

delegated by some organization, usually a public body, and usually have a small number of members. Co-operatives which result from a coalition receive their impetus from external sources (e.g. trade unions or parties), they are socially heterogeneous, have a technical leadership, are inspired mainly by the aim of saving jobs, have more of an instrumental than an ideological orientation, accept a certain degree of division of labour based on competence, may take work delegated by public bodies, but also operate directly on the market, and usually have a medium to large number of members (50 to 200).

This typology describes a continuum which is fairly familiar in the sociology of organisations, and which recalls many of the themes present in Tönnies' classic Gemeinschaft-Gesellschaft dichotomy. An advantage of Gherardi and Masiero's distinction is that it does not conceive of the Gesellschaft-type structure as an evolutionary stage which necessarily establishes itself after an earlier Gemeinschaft phase, but rather argues that the two structures are already identifiable in the ways and forms in which the co-ops are set up. This perspective avoids the "conceptual nostalgia" (Zan 1982) of those organizational pessimists who, following Vienney (1966) and Meister (1971), assume that economic success in a co-operative implies an inevitable price in terms of a decline of democratic participation and of the initial

charged emotional climate associated with the exciting early times (lo stato nascente). The distinction proposed by Gherardi and Masiero seems to us, however, too rigid and deterministic, and it is difficult to understand up to what point it is the result of empirical research, and to what extent it is a conceptual schematization, and hence a hypothesis yet to be verified.

Various other approaches have been taken which have attempted to refute organizational pessimism. Numerous research projects have been undertaken to investigate the conditions which allow the maintenance of democratic models in co-operatives which have been commercially successful. We may limit ourselves here to mentioning Rotchild-Whitt's study (1976), which identifies nine conditions for such maintenance of democratic participation. These are:

- a) a conception of the organization as being transitory;
- b) mutual and self-criticism;
- c) limited dimensions and alternative growth patterns;
- d) being situated in a marginal sector of the economy;
- e) a widespread diffusion of technological knowledge;
- f) financial dependence on members;
- g) oppositional services and values;
- h) the existence of a supportive professional base;
- i) an orientation consistent with a wider social movement.

Other writers have lengthened this list and added other conditions, such as an aversion to hierarchical

structures, or a widespread sense of collective property, or alternatively, have put forward different schema (Bernstein, 1976; Paton, 1978; Cornforth, 1985). On the whole, these approaches presuppose the study of a relatively long life cycle, so that diachronic analysis is possible, with, perhaps, return visits to the co-ops being studied. In our case, this was impossible, since the oldest co-ops in our sample were set up in 1978 or 1979, and the most recent were only a year, or in one case only a few months, old. This limitation, however, need not preclude the obtaining of significant research results, if - as we intend to do - one can demonstrate that the period of gestation, and the choices made when the co-op is founded, already provide an outline of its general characteristics.

Our approach necessarily differs then, from the totally diachronic method of the life-cycle researchers, but is also distinct from the pre-deterministic, almost "genetic" perspective of Gherardi and Masiero's model. Our working hypothesis is that the typology which distinguishes co-operatives according to the way and the form in which they are founded provides certain elements for an understanding, but that it cannot pretend to provide a comprehensive and internally coherent explanation of all the relevant features of co-ops.

The research's second thesis is that it is always necessary to bear in mind the specificity of the historical

context into which co-operatives are born. The three conditions mentioned at the beginning of this article are present in the urban area of and around Turin. But the historical specificity of this area is that the unemployment crisis which began in 1980 also set the seal on the collapse of the social movement which, throughout the preceeding decade, had been involved in a cycle of industrial and urban struggles which - in terms of intensity, duration, millenarian overtones and capacity to ignore conventions and laws - was unique in the West (2). For thousands of people, the struggles of the '70s constituted a paradigmatic experience. As Mannheim (1951, p. 252) writes, paradigmatic experiences are those decisive and fundamental experiences whose imprint "is so deeply stamped onto our mind that it provides a mould into which other experiences flow. Thus, once formed, they give shape to more recent experiences". Our thesis is that the establishment of new co-operatives in the Turin area by workers made redundant or on the fringes of the economy, can only be adequately explained if one takes into account not only the rise in unemployment, but also the political, social and existential experience developed in over ten years of "the movement". This hypothesis leads one directly to ask the question: are those most involved in that experience more likely to form co-ops than those who had been less involved? And, if so, is the fact that they take

part an extra guarantee of the maintenance of democracy? Further, what level of commercial success do they achieve, and how do they legitimize this?

2. The movement of the 1970s and the origin of the co-operatives

As Gerlach says (1976), a collective protest movement is always divided into various currents, always has many heads, and a complex mass of interweaving threads. The movement of the 1970's was no exception and this gives us some clues to the phenomena we are studying. First of all, we can understand that an ideological-political classification of our co-operatives is of little value. If interpreted in very general terms, the criterion of ideological identification does not discriminate, because, with one exception, all the co-ops in our sample were formed by people who had been, and still were, active in trade unions, parties and other organizations within the broad area of the left. If taken in stricter terms, the same criterion is of little value for two reasons: the first is that in virtually all the co-ops examined there was a wide range of ideological and political backgrounds among the members, and there is no point in counting up to

see which current is in the majority, since none of the co-ops themselves do this.

The second reason is that precisely because of the fractional, many-headed and intertwined nature of the movement, most members have more than one commitment: to union, party, small radical group, or to some organizationally fluid area such as feminist, ecological or religious groupings.

The second clue coming from the '70s helps us to understand the social composition of the co-ops. Zan (1982) suggests a distinction can be made between worker co-ops - which typically operate in the traditional industrial sectors of the economy - and youth co-ops, which tend to work in agriculture or in the service sector. This distinction is not suitable for our co-ops, since both workers and youths are often found together on the same project. Out of six co-ops set up on the initiative of ex-employees, five are open to young people on the fringes of the workforce who have not yet gained a secure position in the workforce; and out of six co-ops created to organize young people on the fringe of the economy, four have taken on individuals who until a few months previously, worked in factories. Four co-ops, finally, were mixed right from the start.

The mixing of these two social categories is, we believe, to be explained, by the nature of the urban

society which was formed in the struggles of the '70s. On the one hand, those who had a secure job in the core sectors and those who were on the fringes of the economy, or unemployed, shared the same experiences within the movement, collaborating and often clashing together. The spread of impermanent, insecure jobs (lavoro precario) combined with the emergence of what has been called l'operaio sociale (i.e. the worker who takes his identity from society and not just from work) had the effect of lessening the differences in the job conditions of the two categories. In 1978 the last wave of workers was taken on at FIAT and this meant that thousands of marginali - workers hitherto without a place in the core sectors of industry - took on the role of a core worker (garantito), without however interiorizing this role (Belforte and Ciatti 1979; Marcenaro, 1979); and they were then kept on for too short a time for the experience to be more than a brief episode in their lives. (The mass redundancies started in the autumn of 1980). Work and non-work were thus intertwined in a situation which had characteristics of both the worker and the marginal at the same time (Barbano, 1980). The rejection of this distinction explains why it would be artificial to make a distinction today between worker co-ops and youth co-ops. Moreover, even if one wanted to persist in this distinction, it would have less analytical value than other variables. In particular, it

might be noted that co-ops made up predominantly of ex-core-sector workers operate in agriculture and the service sector, just as co-ops with a membership mainly of ex-marginals have successfully established themselves in industry.

Having rejected classification on the basis of ideological identification or of social composition then, we propose another criterion for distinguishing individual co-ops within our sample - based on the way in which they were founded. We put forward three categories:

- 1) co-operatives created spontaneously;
- 2) co-operatives created via impetus from outside institutions (aided);
- 3) co-operatives created by the regularization of an already existing work situation (federative).

The spontaneous co-ops are set up on the initiative of a homogeneous founding nucleus, or even on that of a single leader who was capable of collecting other people around a plan. A common feature of this type is the presence of a group of friends and/or comrades which had been formed in previous homogenizing experiences at work, in political activism or in other, more general social experiences connected with a shared social condition. The aided co-ops are those where, even though members have shared experiences and in some cases a natural leader of

their group, the co-op would not have got off the ground if it had not been for the decisive intervention of an external body such as a union, one of the co-op associations, or occasionally the organization of a party. In this category we include the so-called "inheriting" co-ops formed by some of the employees of firms which have closed or gone out of business, who have then decided to continue the business on their own. (All three inheriting co-ops in our sample made use of outside support). The federative co-ops finally, get together people who are already employed in black work or work which is insecure and impermanent, and who decide to organize together to improve their work situation. (This characteristic overrides in importance the spontaneity vs. aid dimension which these federative co-ops may display).

3. Mode of origin, date of foundation and sector of activity

Plotting the mode of origin against the year in which our co-ops were set up, gives some initial results of interest (see table 1).

Table 1

Mode of origin and year of foundation

<u>Origin</u>	<u>1978-80</u>	<u>1981-82</u>	<u>1983-85</u>	<u>Total</u>
Spontaneous	1	4	1	6
Aided	-	1	6	7
Federative	1	1	1	3

It can be seen that the aided co-operatives are on the whole significantly more recent than the spontaneous ones (even the one aided co-op founded in the period 1981-82 in reality only started to function at the beginning of 1984). Taking 1980 as the beginning of the unemployment crisis, it may be inferred that the main initial reaction to the crisis was spontaneous, whereas institutional intervention came only later, when it was seen that the impetus from the grass-roots was insufficient. The federative co-ops, which bring together people who are already working in the area, grow up in circumstances which are independent of the rise in unemployment.

We will examine later on the differential in resources required which allowed certain co-ops to be established spontaneously. For the moment, table 1 allows us to advance the initial general hypothesis (which would need to be tested in further research) that, in the face of an acute crisis in employment, there is first a market

phase in the field of co-operatives which stimulates certain pioneers who have exceptional resources; and that there then follows a second, aided, phase, in which the institutions guide and support cases with relatively fewer resources. The timing of the two phases may also be affected by the lack of an established local tradition of co-operatives, and a certain delay before institutions adopt a policy of actively promoting co-ops.

Looking at the relationship between mode of origin and sector of activity, we can see three things (table 2):

- a) there is a clear tendency for the spontaneous co-ops to establish themselves in different sectors;
- b) being aided is not in itself connected with any sector of activity (even though vice versa the majority of co-ops operating in the area of industrial production have an aided origin);
- c) the federative co-ops seem to be limited to the service sector.

Table 2

Mode of origin and sector in which activity carried out

<u>Origin</u>	<u>Services, agriculture</u>	<u>Manufacturing</u>	<u>Distribution</u>
Spontaneous	4	1	1
Aided	3	4	-
Federative	3	-	-
T o t a l	10	5	1

The first of these results may be explained firstly by the fact that operating in the service sector (manual services, welfare and social services, agriculture and forestry) is in general easier and requires fewer initial resources than starting up in industry. The services undertaken are almost always carried out for local government or public bodies, and here even a co-op without support from an institution and without much initial capital has few problems of access. This public market, access to which usually depends on the decision of some committee, is much easier to enter and much more controllable than the private market. This opportunity is reinforced by the growing tendency for local government to contract out its duties in welfare and manual services. (In Italy, the Stammati law - which sets limits to hiring by local authorities - is also relevant here). A second explanation is to be found in the preferences of co-op members. These are young marginali who, as previous research has pointed out (e.g. Schneider; Zan, op. cit.) are more willing to become involved in ecological and post-industrial work; but the presence of former factory workers who urgently need to get another job without excessive re-training should not be forgotten, since the areas most open to them are precisely, manual services, work in agriculture and forestry, and certain simpler jobs. One co-op in the spontaneous category is a case apart: this

is a consumer co-op, founded by some militants of the far left in the roaring years of factory struggles. These people set up, among other things, an alternative canteen, which was at first illegal, then came to be tollerated alongside the official canteen. In changed times, the organizers of this project managed to convert their infringement into a business asset, and to found a co-op for the distribution of alternative foodstuffs acquired from other co-ops.

The presence of four industrial co-ops among the six categorized as 'aided' can be explained:

- a) by the fact that a trade union or one of the co-op associations "piloted" the entry into the market of two co-ops, supporting them in part via the network of co-ops already in existence. In one case, a union (CISL) sat alongside ex FIAT employees in the negotiations with the firm over renting work premises and machinery;
- b) in two cases, by the fact that they are inheriting co-operatives, which have taken over part of the plant of the firms which have ceased business, continuing production at little more than craft levels of output.

It should be noted that the presence in the aided group of co-ops operating in the service sector and in agriculture or forestry goes against what is the commonly-held idea that the institutions giving support to co-ops are uninterested in these types of projects. We

might interpret this finding by supposing that when the aid-giving bodies are faced with the difficulties of starting up in manufacture, they are flexible enough to advise alternatives. We can cite an interesting case here of an inheriting co-op formed on the closure of an engineering firm, which, after failing to establish itself in this field, was advised by CISL union officials to set up in the area of manual services, and then to try later on to move up into land improvement.

4. Costs and benefits of being a member

It is a merit of the classic studies of co-operatives (Cole, 1954; Meister and Desroche, 1955; Infield, 1955) that they make it clear that the motives for starting up are always a combination of instrumental calculation and ethical commitment.

The combination of these two motivations creates a new pattern of organizing work which has often been presented as an alternative to either private enterprise or bureaucratic state enterprise (among recent contributions on this theme see Rotchild-Whitt, 1979; Svensson, 1985).

Naturally, the exact mix between the two motivations for taking part in co-ops varies, and also interacts with other factors such as the purpose of the co-op, social

expectations, decision-making and delegation processes, and level of commercial success.

Our hypothesis is that the mode of origin is also significantly associated with motive for taking part. To test this hypothesis, however, it is not sufficient simply to ask members, either directly what their motives are, nor to ask questions designed to reveal motives indirectly. Certain parameters connected to the relationship between capital contributions and incentives can be measured relatively simply and these may be taken as indicating, albeit indirectly, motives for taking part. The analysis of internal dynamics which follows will then help us to understand what social significance is given in the various co-ops to the relationship between contributions and incentives.

The first variable we need to examine here is the contribution asked for joining the co-op. This is of particular importance because it symbolically expresses the overall aims of the co-op. So we notice that, within our sample, this initial contribution varies from one which is virtually nominal to a maximum of two million Italian lira (all the more substantial sums being paid in installments or deducted from wages earned within the co-op). We may also note that if we cross the one hundred thousand lira threshold there is a big jump to the next highest contribution, which is half a million lira.

These sums required of new members vary so widely that one is immediately brought to ask whether we are not talking of qualitatively different types of co-operatives here, and if we look at the relationship between initial contribution and mode of origin (Table 3) this idea would indeed seem to find support.

Table 3

Mode of origin and initial financial contribution
requested

Origin	100,000 Italian lira or less	over 100,000
Spontaneous	6 (4)	-
Aided	2 (-)	5 (2)
Federative	3 (2)	-
T o t a l	11 (6)	5 (2)

The figures in brackets indicate the number of co-ops in each category having a turnover of over 15 million lira per head in 1984.

All the co-ops which have a spontaneous or federative origin fixed low or nominal, five of the seven aided co-ops high initial contributions. We might therefore hypothesize that low contributions for joining indicate an expressive orientation, where co-operation is seen as having social ends and as a form of expressive solidarity; whereas high contributions would indicate predominantly entrepreneurial

and economic aims. If this was true, we might expect a fit between level of economic investment, members' expectations, and mode of origin of the co-ops. So those that require only a low financial contribution would be offering primarily social and solidary benefits and precisely for this reason they could allow themselves a spontaneous origin. Federative co-ops, on the other hand, would not need high initial contributions since their aim is simply to regularize work which already exists. Those co-ops which require a high sum for joining, in contrast, would be interested mainly in getting on economically and creating jobs, and for this reason allow themselves to be guided towards this end by external bodies.

To test this hypothesis we can look at the relationship between "initial contribution" and a variable which reflects level of commercial activity. The variable we chose was the ratio between the 1984 turnover and the number of full-time and part-time members working for the co-op in the same year. This relationship is also presented in Table 3; (the figures in brackets give the numbers of co-ops which, in 1984, had an annual turnover of more than 15 million lira per head).

It can be seen that the hypothesis outlined above is partly refuted and partly unproven (hypothesis null). It is refuted because four of the six spontaneous co-ops have an annual pro-capita turnover of over 15 million lira. These

four co-ops, moreover, represent half the total of those with a turnover above this figure. Hence we can say that a low initial contribution does not necessarily imply resting in a sort of pre-economic limbo of expressive solidarity. The low joining fee is a political and symbolic decision which does not exclude other ways of financing the enterprise, such as voluntary loans from members, loans given out by local government bodies (especially the regional administration) or loans from bodies which are providing the work.

The relationship between initial contribution and turnover gives a null hypothesis with respect to the aided co-ops, since two of these are too recent for turnover to be calculated and no clear pattern can be seen in the other five. It is notable however that neither of the two aided co-ops with low contributions for joining reached the 15 million threshold.

These results need to be re-examined. If we set initial contribution against sector of activity, we can see that there is a very strong correlation between the service sector and low joining contributions and between manufacturing and high contributions (Table 4).

The different level of initial investment required in the two sectors is obviously relevant here; and the lower cost of setting up in the service sector in its turn explains the preference of the spontaneous co-ops for entering this area. However the results shown in Table 4

Table 4

Sector of activity and contribution requested

<u>Sector</u>	<u>L. 100,000 or less</u>	<u>over 100,000</u>
Services	9 (4)	1
Manufacturing	1 (1)	4 (2)
Distribution	1 (1)	-
T o t a l	11 (5)	5 (2)

The figures in brackets indicate the number of co-ops in each category having a turnover of over 15 million lira per head in 1984.

give us reason to believe that spontaneous origin also acts as an independent variable and is partially responsible for the relative success these co-operatives have in the service sector and elsewhere. It can be seen in fact that the only two co-ops with low joining contributions yet high turnover, and which operate in manufacturing or distribution, are spontaneous in origin.

We can complement the economic aspects we have examined so far by analyzing how the chance of obtaining work varies in the three types of co-ops. Since this can be measured by the percentage of members of a co-op who worked full- or part-time for the co-op during 1984, it

follows that the size of the organization is a crucial variable (Table 5).

Table 5

Number of members and of those employed, by mode of origin

	<u>Spontaneous</u>	<u>Aided</u>	<u>Federative</u>	<u>Total</u>
Average no. members	28.0	15.8	90.7	34.4
Standard deviation	9.9	4.7	42.6	33.8
Av. no. employed	14.7	5.4	47.6	16.8
Standard deviation	12.8	6.2	26.1	21.1
Employed as % total members	52.3%	34.2%	52.8%	48.8%

Table 5 shows that:

- a) the largest co-ops are the federative ones - which can be explained by the fact that they organized workers who were already in work, albeit in jobs which were insecure and marginal (precari). Next in size come the spontaneous co-ops with an average of 28 members, and lastly the aided co-ops with approximately 15 members.
- b) the probability of a co-op member obtaining work within the organization are virtually identical, at 52% and 53% of total membership, in the spontaneous and the federative co-ops. It should be remembered however that the spontaneous co-ops, unlike those with a federative

origin, were starting from nothing.

c) the lowest chances of obtaining work are in the aided co-ops. It is true that there are two co-operatives in this group which had not yet got under way at the time the research was carried out; but there were also three inheriting co-ops where all the members had previously worked full- or part-time. (This lack of internal homogeneity is reflected in the high standard deviation value - higher than the average of the number of members obtaining work).

The commercial data examined up to this point allow us to state an important preliminary conclusion: there is support for our hypothesis that level of economic success within co-operatives is significantly associated with their mode of origin. Co-ops set up spontaneously or via federation were on the whole more successful commercially and in providing jobs than were co-ops created with the impetus of outside aid.

This finding poses an interpretative problem, since, baldly stated in this way, it might suggest that outside aid acts as a negative factor on development. However, it seems reasonable to suppose that the case is rather that the aided co-ops achieved less good results in spite of the aid they received, due to the internal dynamics which distinguish them. For the fact of being established thanks to external support is in itself a sign of their relative

weakness when compared to co-ops which were able to establish themselves with their own resources. The next step in our analysis therefore consists of the attempt to shed some light on the varying internal conditions which can contribute to an explanation of differing levels of commercial success. We must however also give some attention to the reasons for the limits to external aid.

5. The office of chairperson: sources of legitimation and reasons for the choice made

Following various classic formulations (Selznick, 1976; Gouldner, 1965), we assume as a working hypothesis that the nature and way of working of the leadership are the most important internal factors when we come to explain the degree of success reached by an institution in pursuit of its ends. In our sample, what we did in practice was to examine the reasons behind the choice of chairperson, and the ways in which the authority of this post was exercised.

This operational definition is justified for two reasons. The first is the almost total correspondence between actual leadership and formal office. In none of the cases examined do the real leaders work by delegating formal responsibility to others, and in only one case is the most prestigious leader not the chairperson but simply

on the board of governors. The almost total overlap between actual leadership and formal responsibility conforms to the double "compliance" between norms and utilitarian ends which, according to Etzioni (1961) is a feature of co-operative forms of association. The second reason is that in most of the co-ops there is considerable continuity over time in the leadership. In three cases there has been a change of chairman since the co-op's foundation, but in only one case was this due to internal conflicts which de-legitimated the founding chairperson. In six co-ops there has been some rotation of members on the management committee, but here too, only in one case is this connected to internal conflicts.

In analyses of leadership, a distinction has traditionally been made between charismatic (or expressive), and technical (or instrumental) leaders. Charismatic leaders are those who have "diffuse" influence and prestige and who express the collective identity of the group apart from any specific competence they may have. Technical leaders are those who derive their legitimacy from the recognised possession of specific skills and or their control over specific resources (Bennis, 1959; Etzioni, 1961). This distinction has been widely disputed in studies of leadership (e.g. Gouldner, 1965), and does not seem to be satisfactory in our case. For one thing, the criteria for establishing whether or not charisma is

present are too vague and unmeasurable. Secondly, the concept of charisma (even as redefined by Etzioni, 1961) does not distinguish the quality itself from the circumstances in which it originates. Thirdly, the technical-instrumental qualities of a leader are often the precondition for the development of a charismatic "aura".

A more fruitful approach would seem to be to investigate the reasons underlying the choice of a particular chairperson. Since the co-operatives at this stage have obviously not been set up, the reasons for any choice must necessarily lie in the leadership qualities which are seen as deriving from past experiences and roles held. In spite of some difficulties created by the great variety in the co-ops' particular histories, it was possible to outline the following typology of reasons behind the choice of chairman:

1. Informal prominence in "the movement"

These are individuals who, during the years of social agitation, acquired a diffuse influence as opinion makers in homogeneous groups of activists. This influence did not necessarily lead to formal positions (such as factory delegate or member of union leadership), and in any case having occupied positions of this type did not in itself have any influence on the nomination for chair. In these cases, the whole group

took an active part in setting up the co-op and the choice of chairperson sets the seal on the diffuse recognition of the natural gifts of the traditional leader of the group.

2. Symbolic or institutional value of other posts held

These are individuals who, prior to the establishment of the co-op had held formal positions which have a symbolic value; or individuals who still held institutional roles outside the co-ops. These latter may be divided into two sub-types:

- a) individuals who held positions of authority in the firms which collapsed, and who enjoy a greater prestige due to this former position at work (e.g. middle management or white-collar workers). There is often here a feeling of gratitude on the part of the blue-collar group to a non-worker who has joined the co-op (a gratitude which should be distinguished from any recognition of technical skills);
- b) individuals who had an institutionalised role of union representative in the factories which closed (or within the group of workers laid off);
- c) individuals working in local organisations concerned with the encouragement of co-operatives (e.g. unions, leagues of co-ops) who continue to identify themselves primarily with these bodies.

Note that these three sub-groups were combined in our research on account of the smallness of the sample.

3. Altruistic entrepreneurial vocation

These are individuals who normally operate in fringe social environments with the aim of organizing groups of young people in co-operative projects. Their ethical-ideological motivation (which is often of a religious nature) leads them to undertake intense entrepreneurial activity, which is not, however, aimed at personal gain. Often these leaders commit themselves to a number of projects, to which they continue to act as expert advisors from outside even after the formal management positions have been taken over by individuals who have gained experience within the framework set up by the 'entrepreneur'. In its purest forms, the practice of this kind of entrepreneurship may be seen as a genuine form of religious action in the economic sphere.

4. Technical skills and control over resources

These are individuals who - due to specific technical skills - are seen as being able to provide ideas as to how a co-operative should develop, or to provide or manage resources as efficiently as possible.

5. Simple availability

These chairpersons are not real leaders, having been nominated simply through the lack of other candidates, and because they have time available, have "plenty of enthusiasm", are generally honest, etc.

This typology presents ideal-types, and there were some problems in fitting the particular cases of our sample to the various categories. In difficult cases we made further enquiries among our informants to find out what meaning had been given to the choice of chairperson.

The relationship between reasons for choice of chairperson and mode of origin of the co-op (Table 6) furnish some points worth noting. Firstly, there is a consistent and significant association between: spontaneous co-ops and former informal leaders or altruistic entrepreneurs; aided co-ops and institutional-symbolic leaders; federative co-ops and technical leaders.

Table 6
Reasons for choice of chairperson and mode of origin

	<u>Spontaneous</u>	<u>Aided</u>	<u>Federative</u>	<u>Total</u>
Chairperson because of:				
activism in movement	3*	-	-	3
symbolic institutional value	1*	5*	-	6
altruistic entrepreneurship	2	-	-	2
technical skills	-	1	3	4
simple availability	-	1	-	1

* The data refer to the time of the co-ops foundation. The asterisks show replacements by chairmen chosen later on for technical skills (each asterisk representing one such replacement).

Secondly, and more interestingly, the chairpersons chosen for their informal prominence in the social movement of the seventies are not at all numerous (only 3 out of 16) if one considers that most of the co-ops examined were set up in the wake of the collapse of the movement. This gives little support to the "romantic" hypothesis that sees the spontaneous leaders of the struggles as having being able to creatively transform their talent for organising oppositional politics into social entrepreneurship. Those who set themselves on this path are the exception, and it cannot be taken for granted that they will succeed (as is shown by the replacement of one leader of this type by a technical leader).

This scepticism is indirectly confirmed by the strong association between aided co-ops and institutional-symbolic chairman. It might be objected that the nomination of former union representatives as chairpersons does not refute the hypothesis of widespread entrepreneurial potential within the movement: one might say that if these people had managerial talents, they had already had the opportunity to show this by taking on formal posts in the factory. However such posts are no guarantee of economic entrepreneurial talent, and in fact the co-ops which they lead have difficulty in taking off in spite of external aid.

A third observation may be made regarding the technical leaders. These are concentrated almost exclusively in the federative co-ops at the time of the co-ops' foundation, but later on they appear in some of the others, in both the spontaneous and the aided types. This fits the now well-established observations on the "life-cycle" of co-ops, which after an initial, primarily solidaristic phase, are seen to be concerned with economic aims (Zan, 1982).

To conclude this aspect of the investigation, we still needed to see what direct connections there were between reasons for choice of chairman and commercial success. We therefore took the current chairpersons - who included three more technical leaders than there had been when the co-ops were founded - and we examined their relationship with the distribution of co-ops under or over the 15 million lira turnover level (see Table 7). The results we obtained were consistent with the rest of our results, since they confirm that the higher turnover co-ops were led predominantly by technical leaders or altruistic entrepreneurs, whereas the institutional-symbolic leaders are concentrated in those co-ops which have a lower turnover (where we also find the one chairperson chosen for simple availability). In the low turnover category there are also three technical chairpersons, but two of these are recent arrivals so we ought to suspend judgement on their

performance. As far as the former informal movement leaders are concerned, these do not seem necessarily either successful or unsuccessful.

Table 7

Reasons for choice of present chairperson and level of output per head 1984

	<u>Output up to 15 million lira</u>	<u>Output over 15 million lira</u>	<u>Total</u>
Chairperson because of:			
activism in movement	1	1	2
symbolic institutional value	3	1	4
altruistic entrepreneurship	-	2	2
technical skills	3	4	7
simple availability	1	-	1
T o t a l	8	8	16

6. The chairpersonship: degree of commitment

The results obtained above pose some problems of interpretation. It would be easy to conclude that the degree of commercial success is directly linked to the type

of chairperson; but this conclusion risks being tautological. To avoid this danger, it is necessary to investigate further what the chairperson does and how he does it. The most reliable datum we have for this purpose is the quantity of hours devoted to the work of chairperson (it may be noted that there is a strong correlation between time spent by the chairperson and time spent by other members of the management committee). The choice of this variable is based on the assumption that it is a good indicator not only of the general commitment of the chairperson but also of the social climate-existing within the various co-ops. For work in the running of the co-ops which is voluntary or paid at cost price is a common feature in this type of body, although this varies from one organization to another. This may be seen as an expression of the "degree of moral tension that is associated with the persistence of utopian aspirations" (Tacchi, 1977, p. 120) and may also be seen as an expression of the degree to which the chairman identifies with his co-op.

We cannot discount the possibility, however, that other factors influence the amount of time devoted to the office of chairperson - for example, the sector in which the co-op operates, its size, or its date of foundation (given that it is reasonable to suppose that the total of hours will be greater in the founding phase than when the co-op has got going). Now, in our sample, there are eight

co-ops where the chairperson spends over 30 hours a week, five where she/he spends 15-30, and three where she/he spends less than 15. This considerable variation does not seem to be significantly associated, however, with sector of activity, size, or date of foundation.

Heavily and lightly committed chairpersons exist in all sectors of activity. In three out of four of the larger co-ops, the chairpersons spend more than 30 hours, but there seems to be no pattern to the amount of time spent in small or medium-sized enterprises. And although in five of the eight newest co-ops the chairperson devotes over 30 hours a week to his post, in the other three new ones s/he puts in less than 15 hours. (Tables not given). This negative result betrays the existence of other variables linked to the type of co-op and to the type of chairperson.

So the relationship between time spent by chairperson and mode of origin (Table 8), and reasons for choice of chairperson (Table 9) provide a more interesting picture. Table 8 shows that the spontaneous, and the federative co-ops all have chairmen who put in a high or medium number of hours, whereas in the aided co-ops, chairmen working low or medium amounts of hours predominate.

Table 8

Mode of origin and time commitment of chairperson

<u>Origin</u>	<u>average weekly hours worked</u>		
	<u>up to 15 hours</u>	<u>16 to 30 hours</u>	<u>over 30 hours</u>
spontaneous	-	3	3
aided	3	2	2
federative	-	-	3
T o t a l	3	5	8

Table 9

Reasons for choice of present chairperson and time put in by chairperson

	<u>up to 15 hours</u>	<u>16 to 30 hours</u>	<u>over 30 hours</u>
Chairperson because of:			
activism in movement	-	-	2
symbolic or institutional value	2	1	1
altruistic entrepreneurship	-	1	1
technical skills	1	2	4
simple availability	-	1	-
T o t a l	3	5	8

Table 9 shows, a) that a high number of hours is typical of ex-movement chairpersons and most of the

technical chairpersons; b) that a low number of hours is associated with institutional-symbolic chairmen, although it is also a feature of some technical chairmen.

Examined together, these two tables allow us to assume that in the spontaneous and the federative co-ops the chairman is the organic expression of the founding group, and it is natural for him to identify with the fate of the co-op, which he experiences as his own creation. This is true both for the ex-movement chairpersons and for those chosen for their technical skills. The lower time commitment found in the aided co-ops might be due to a lack of entrepreneurial vocation as such, or to a more detached approach which saw the chair of the co-op as one commitment among many others rather than as a mission. This second possibility also seems to fit the case of the three technical chairpersons who were elected some time after the initial foundation of the co-op. All three of these said they saw their position as a normal job, and maintained that their legitimation ought to come from the results they achieved rather than from the time they spent at the co-op offices.

We might ask here whether the quantity of time put in by the chairperson is significantly associated with the commercial results achieved. Table 10 shows clearly that it is: in all the co-ops with an annual turnover of over 15 million lira per head, the chairpersons put in over 15

hours a week, and vice versa, in half of the low turnover organizations, they put in less than 15 hours. However, this connection should not be read in simple causal terms, as if the amount of hours put in was, by itself, capable of determining the level of commercial success. We should assume rather that there is an interaction between the two variables, for the number of hours expended on running the co-op will also depend on what phase of its life-cycle it is in.

Table 10

Time commitment of chairperson and level of output per head 1984

	Average weekly hours worked	
	<u>up to 15 hours</u>	<u>over 15 hours</u>
Output per head:		
up to 15 million lira	4	4
over 15 million lira	-	8
T o t a l	4	12

Concluding this section, we can say that we have a picture of commercial success in the co-ops which is both clear and consistent. Two factors stand out. The first is the organizational and situational logic of the co-ops

deriving from the circumstances in which they were founded; the second, the various individual characteristics of the leaders. There is no exact, predetermined correspondence between these two factors; the interaction between them creates a variety of situations, each with its specific problems and prospects.

Spontaneity emerges as a condition which is potentially favourable to commercial success. However, this is only realizable if the spontaneous mode of development is guided by the presence of a leader - whether he be technical or altruistic-entrepreneurial (both of which types have in common technical competence). The aided co-ops, for their part, find themselves in the somewhat paradoxical position that, in order to take off they would need to overcome the handicap of the very fact of being aided. For aid usually leads to the appointment of institutional-symbolic leaders, who are good at reinforcing the collective identity of the members but do not necessarily possess business ability. The only feasible strategy for these co-ops seems to be to take on technical leaders - the strategy which those co-ops we have termed federative followed from the start. However, the problem is not a simple one since business skills usable in the co-op sector are rare, and cannot be created solely by the existence of financial aid. One solution would be to replace the current system of "spontaneous aid" offered by

voluntary bodies on a chance basis or on the basis of pre-existing links, with a definite policy for the encouragement of co-ops and the planning of their resources. Looking at things in this way, only the chargeover from spontaneous aid to planned aid would be capable of creating favourable preconditions for spontaneous development of co-operative initiatives. Laudable results in this direction have been achieved in other European countries, although it should be said that these countries have long-established systems of corporatist negotiation between business and unions (among the most recent contributions, cf. for Austria, Schneider, 1985; for Sweden, Stryjan and Hellmark, 1985; and for Denmark, Tetzschner, 1985).

7. Guaranteeing democracy - a matter of organization culture

Let us examine now the question of internal democracy. First a preliminary problem: when estimating the degree of democracy existing in any institution, it is a good rule to ask the rank and file. However, our resources did not permit this, and so the only evidence available to us consisted of various official documents, and interviews with managers. All the official documents (with one exception which will be mentioned below) give indications

which are too vague to form the basis for judgements on the degree of democracy. The constitutions do not make stimulating reading; and rotation of posts is not in itself evidence of any structural feature, and is in any case limited. Only the frequency of general assemblies gives some modest information. In the federative co-ops, these are rarer (2 or 3 times a year) than in the other types, but they are also more formalized. It seems reasonable however, to assume that this difference is linked to size since, as was mentioned above, the federative co-ops are much bigger than the others (3). In the smaller co-ops, quite apart from any other characteristics they may have, assemblies are more frequent, but also less formalized, so that members may not always perceive the difference between a general assembly and a meeting of the management committee which is open to all co-op members who wish to take part (cf. Zan, 1985).

There is another type of official document which is more useful for our purposes, although only five co-ops have drawn these up. This is a declaration of intent, a sort of Magna Carta which backs up the founding constitution and which outlines the ideological and political positions which inspire the co-op. The common feature of all five documents is the emphasis on safeguards of democracy, which in two cases goes so far as to make a unanimous vote obligatory for important issues, and in

another case allows for a strike of the members. This is justified as a safeguard against the risk of an excess of self-exploitation. This last concept is one that also inspires the other documents, along with the awareness of wanting to be "islands of socialism" in an environment which is unyieldingly capitalist and competitive. These documents may be considered declarations of the values on which the most movement-influenced members of the political movement of the 1970s tried to base their actions. However, it would be a mistake to consider them simply as "indeterminate abstractions" (Selznick) with the function of legitimating the actions of the leadership. We believe they ought to be seen as an expression of a specific organizational culture, and hence as convincing evidence of the high degree of normative compliance which members are bound by, and which protects them.

The contents of these charters crop up again in the verbal statements of the chairpersons we interviewed. In contrast, it may be noted that in the co-ops which had not drawn up documents of this type, the chairperson expressed fewer worries about explicit safeguards and put more emphasis on the need to maintain and reinforce consensus via the pursuit of commercial aims. On the whole, the statements of the chairpersons can be placed along a continuum which goes from one extreme where democracy is viewed as something which should be safeguarded with

the sanction of the obligatory unanimous vote, to the other extreme where democracy is seen as just one aim and value to be pursued among others. It should be said again that this classification is not in itself direct evidence of democracy actually being practiced, but it is evidence of how sensitive the organizational culture is to the principle of guaranteeing participatory democracy.

Cornforth (1985) suggests a typology for measuring internal democracy within co-operatives which is based on the interrelationship between two parameters, one concerning institutional aims, the other the types of control employed. On the institutional aims axis, he distinguishes between co-operatives which give priority a) to the need of workers to obtain work; b) to the pursuit of external social values; c) to the pursuit of commercial ends on the market. The first of these types is inspired by the values of the traditional left, the second is supposed to be ecological, and the third conservative in its orientation.

This classification may be useful for a very large sample, but it is not suitable for our case where, as we have pointed out, the most crucial differences centre on the existence or absence of safeguards of democracy. However the second dimension of Cornforth's typology provides us with some useful cues. Cornforth makes a distinction between: a) collective control; b) dual control; and c) managerial control. In the co-ops with

collective control, all important decisions are taken by the assembly of members and although the remaining decisions are delegated to management, these can be overturned. In the co-ops where there is dual control, a democratic rank and file system co-exists with a managerial system, neither of the two components dominates the other and decisions are taken via an interplay of the two systems. In the co-ops where there is managerial control finally, management takes the important decisions and the assembly exercises a very general control only, even though its formal powers may appear extensive.

A similar criterion may be applied to our co-ops, still bearing in mind that the distinctions we propose are based on statements made by the management. So we can see that: A) five co-ops are based on a strong version of the safeguards principle: unanimous vote on important decisions, constant involvement of members, marked egalitarianism, right to strike internally, assertion of the principle that "no one individual is to blame, because responsibility is always collective", and suspicion of bureaucratic formalization. In some cases work has been refused because a minority of members was opposed in the assembly, and "co-op unity is more important than some temporary job which risks splitting us". B) Eight co-ops might be defined as having a system of consultative democracy in the sense of being governed by the interplay

outlined by Cornforth. The statement which best illustrates this type is: "we talk things over a lot and then we vote. If I (viz. the chairman) have got the majority, I go ahead with what I have proposed, but if I'm in the minority I withdraw my proposition and the matter stops there". C) Three co-ops are more centralized and the rank and file are usually only called in to ratify decisions. The chair of one of these co-ops says: "it's me that looks for work but I don't tell the members until the contract is certain so as not to raise false hopes".

We will call the variable in question here "decision-making model" (4). Its relationships with mode of origin are given in Table 11. This table shows three main associations: - between spontaneous origin and unanimous-vote model; between federative origin and consultative model; and between aided origin and consultative model. These results are what we would expect given our theoretical perspective. The presence of two aided co-ops using the centralised model was also predictable, as the general imbalance of technical skills within the co-op may be seen as the factor which leads the rank and file to trust the management and delegate most of their powers to them.

Table 11

Mode of origin and decision-making model

<u>Origin</u>	<u>unanimous-vote</u>	<u>consultative</u>	<u>managerial</u>
spontaneous	4	1	1
aided	1	4	2
federative	-	3	-
T o t a l	5	8	3

Let us see now if we can also explain the anomalous cases - the spontaneous co-op with a centralised model, and the aided co-op with a unanimous-vote model. The first is directed by an altruistic entrepreneur who, as he puts it, does educational work by involving the members; the members, however, for their part maintain an instrumental attitude, which leads them to delegate. In this way, a relationship with paternalistic overtones has been established, and also accepted. The spontaneity of the origin of this organization was something which concerned the founding leader more than anyone else, whereas people who were looking for work went along with the idea, without being especially concerned about taking part in decision-making.

The members of this co-op (which is situated in a village in the Province of Turin) did not take part in the struggles of the movement, even though they agreed in

principle. The second co-op has the opposite characteristics. Its founding nucleus is made up of laid-off workers who were politicised in the seventies, and are very concerned with safeguards of democratic structures and the demands of the rank and file. However their lack of managerial business ability led them to accept the proposals for development put forward by a union official who became their chairman. This man rigorously respects their participatory values, but so far the co-op has achieved little.

On the whole, the course taken by the co-ops so far seems to give support to the idea that the paradigmatic experience of the 1970s produced a very marked concern with the values of participatory democracy, but did not create the basis for a development of entrepreneurial potential. This contradiction remains in most of our co-ops, where the business ability of the managers does not seem to be connected to the intensity of their participation in the movement, but to natural talent or to other experiences in their lives (so some former movement leaders are now "genning themselves up" by attending management courses).

8. Commercial success and internal democracy

The decision-making model is an appropriate indicator of the extent of internal democracy but it tells us nothing about the structural conditions which favour or hinder the development of democracy. Rotchild-Whitt's approach (1976) mentioned above, on the other hand, is intended to illuminate just this.

Rotchild-Whitt puts forward nine factors encouraging participatory democracy. Four of these are cultural and normative: a conception of the organization as being transitory, extensive self-criticism, values which are alternative to the dominant ones, orientation which fits in with a wider social movement. The first of these conditions does not seem to be either relevant or capable of discriminating between the co-ops of our sample, since fourteen out of sixteen say they want their choice to be a permanent one, and some of those interviewed maintained that it was a matter of a style of life. The sense of the challenge of going down a new road, amazement at results attained, and the fear that these may be lost all crop up in the interviews with virtually all the managers we talked to. In only two co-ops - both of which perform manual services - is there any tendency to consider the experience of individual members as transitory. The remaining normative or cultural conditions suggested by

Rotchild-Whitt have already been discussed above.

The other five conditions of the list are strategic or structural: maintenance of restricted dimensions, situation in marginal sectors of the economy, diffusion of specialist knowledge, development of skill and professionalism, financial dependence of the co-op on the members themselves. These are all conditions which are present in varying degrees in our co-ops, and we examined each of them to see what their relationship was to the decision-making model, taken as the dependent variable.

The results are largely negative, since all the tables of relationships except for one produce random associations (tables not given). The one significant association is that between decision-making model and the economic sector the co-op operates in. If we assume that services are more marginal and/or more alternative than manufacturing, it may be noted that the co-ops with a unanimous-vote model are concentrated in the service sector, whereas those with consultative or managerial models are more common in manufacturing. However this result is influenced by another, prior variable, since we have seen that spontaneous co-ops tend to choose the service sector, which is easier for them; but it is precisely the spontaneous co-ops which are most likely to have a unanimous-vote model of democracy. This result then, emphasises the importance of the variable we term "mode of

origin".

Can we conclude then, that the Rotchild-Whitt model should be got rid of? No, this would be hasty for two reasons. The first is that it requires testing on a much more heterogeneous sample than ours; it is obvious that our co-ops have a very considerable homogeneity, given the closely confined limits of space and time in which the research was conducted (all the co-ops are influenced by the historically specific conditions of the 1970s, and we limit ourselves to illuminating the differential effect of that "paradigmatic experience"). It seems reasonable to assume that the hypotheses contained in Rotchild-Whitt's model might be supported if a more heterogeneous sample was taken, especially if it was one containing co-operatives which had an average life cycle which was longer than ours. In this case the chances of finding a decline in democracy in some of the co-ops would increase, and it might be possible to link these to a decline in the conditions listed in the model.

The second reason for not rejecting the Rotchild-Whitt model is that it can be seen as an invitation to look at the question of co-op democracy in terms of substance rather than simply of form. The strategic and structural conditions suggested in the model as the basis for democracy are also plainly management choices aimed at finding a form of commercial success

suitable for an alternative form of enterprise. Looking at things in this way, we might recall the Marxist idea that the foundation of democracy is freedom from want, from insecurity, from unemployment, and so on; and that only given this basis does democracy in the sense of freedom of speech, of participation, or of dissent become relevant (5).

Now if we assume that co-operatives actions are typically oriented towards commercial success so that they can ensure that members have jobs, and that this is the necessary basis for even talking about internal democracy, our problem becomes that of investigating what our co-ops decided to aim at, given the resources available, and what internal problems they had to face in consequence. (We say "internal problems" because external problems are already contained in the setting of aims). An assessment of resources has already been made in general terms when the distinction by mode of origin was introduced. It was seen that the spontaneous co-ops on the whole had a more favourable ratio of resources to objectives than the aided co-ops did (even the selection of objectives which are attainable with few hard resources is the product of a soft resource, namely entrepreneurial knowledge). We also saw that the co-ops created via federation were in a different situation initially, since they did not have to find work to begin with, but only to organize it.

Let us look now at the aims of the co-ops at the time of the research. These may be grouped in three categories. The first includes the aims of quantitative expansion: plans to increase output and jobs in fields where a co-op is already operating. The second covers qualitative changes of the field of work, and more generally, diversification. The third category finally, covers the objectives connected with starting up or with survival: agreements with other co-ops, or with public bodies, finding a suitable site, training courses etc.. Seen in the abstract, these aims might be thought to be covered by the other two categories, but what counts is the meaning of the action in the circumstances: it is one thing to launch plans to expand or diversify the work carried out and quite another thing to launch plans to guarantee survival, or simply to get the co-op into operation.

The relationship between objectives and mode of origin is shown in Table 12. Moving up into a better field of work is an aim expressed by as many as nine enterprises, belonging to all three modes of origin, but usually working in the field of manual services. Some examples of these plans are: to manage a boat-hire establishment which would be contracted out by the city administration, change from cleaning work to pottery or knitwear manufacture, to start up a half-way house for ex-drug addicts, and to improve husbandry by irrigation and earth-moving.

Table 12

Mode of origin and strategic aims

<u>Origin</u>	<u>Quantitative expansion</u>	<u>Moving to better paid field, diversification</u>	<u>Ensuring survival</u>
spontaneous	3	3	-
aided	-	3	4
federative	-	3	-
T o t a l	3	9	4

These plans fill two complementary needs: that of offering members better work and that of improving the co-ops' market situation. For several co-ops which developed well under the sheltered greenhouse of agreements with local government bodies controlled by the left are starting to pose themselves the problem of equipping themselves to operate also on the private market. They feel the danger that local government contracts may decrease because the balance of political forces has changed in the local elections of May 1985.

9. Conclusion: some dilemmas

The last subject we will tackle is that of the relationship between mode of origin and internal problems (Table 13). The results obtained invite us to reflect on some unresolved dilemmas in co-operative practice and thus are a suitable point to end our research.

Table 13

Mode of origin and internal problems

	No acute problems	Defining roles, increasing efficiency	Resistance to co-operative mentality
spontaneous	-	3	3
aided	1	1	5
federative	2	1	-
T o t a l	3	5	8

The first finding is that three co-ops do not perceive acute problems. All three of these have technical leaderships, two are federative and one is aided - one of only two aided co-ops to have had a certain measure of success. The basis of their relative tranquillity is to be sought in high economic standards and in the moderate and pragmatic nature of the participatory democracy practised.

However, there is a powerful subjective element in the factors responsible for this situation and it is not ingenuous to suggest that the absence of problems here derives in substantial part from the relatively unproblematic personalities of the members. One question remains for the researcher however: is it just possible that the most successful co-ops are also necessarily those which are least interesting?

Five co-ops perceive acute problems with the redefinition of tasks in running the organization, the formalization of procedures, and an increased rationalization of resources. These problems spring from previous success, but the spirit in which they are faced varies according to the mode of origin. In the federative and the aided co-ops, formalizing roles, procedures and control is seen positively as an act of growth and as guaranteeing efficiency and seriousness. In spontaneous co-ops, formalization is experienced with ambivalence and viewed as a cost which may be necessary but one which is dangerous for the communitarian spirit. Once again we come up against the identity-interests dilemma which the sociology of co-operatives has by now well established.

A more interesting finding is the high number of organizations which complain of problems connected with a lack of co-operative mentality. This is a heterogeneous category since it includes:

- individualistic and short-term demands which ignore social constraints;
- low level of interest in running the co-op and in collective responsibility;
- demands for safe work and refusal to take business risks;
- in the inheriting co-ops, persistence through inertia of the old hierarchical relationships.

The first pair of problems is more likely to be mentioned by the spontaneous co-ops and the second pair by the aided ones. It is possible that the objective seriousness of these problems may not correspond to the seriousness with which they are perceived in the various co-ops. However, the problems co-ops say they have do not simply tell us about the different obstacles aided and spontaneous organizations think they have to face. They are also expressions of the logic which led to the setting-up and the history of those co-ops. Aided co-ops complain of the persistence of the old structures and of the fear of risk-taking. But it is precisely these factors which induced the members to come together to form a co-op; and so much is this true that the leaders are usually institutional-symbolic, and the start of operations has often been delayed by the fear of risk-taking. Even today, in these co-ops, it is fringe workers who carry out what little work is done. The cassintegrati (workers laid off by

the core firms, who however, are not formally speaking unemployed but continue to be employees of the firm which pays them benefit) prefer to be involved solely in running the co-op, so as not to lose their benefit. It is difficult to see a solution for these co-ops within the narrow ambit which we have investigated: a satisfactory solution could only come from a broader policy as outlined in section 6 which would encourage talent and opportunities for co-ops; and here results could only be obtained in the medium to long term.

A dilemma which is no less acute, but is more fruitful, can be noticed in the three spontaneous co-ops which complain of the persistence of an unco-operative mentality. Considering where they started from and the results they have achieved, one might think that the declaration of these problems is more the result of perfectionist ambitions of their leaders than of genuine problems. But even if this is true on one level, it ignores the disquiet which leads to this sort of declaration. In our opinion this springs from unresolved tension between the two factors which led the members to commit themselves to a co-op as an alternative form of enterprise: the libertarian emphasis on safeguards for individuals, and the constraints imposed by the fact that collective

co-operation is seen as a value in itself. This conflict is exorcised via an unremitting effort to temper the excess of safeguards by an overdose of ethics and ideology. Frequent conflicts grow out of this situation, conflicts which the co-op then tries to smooth over via techniques which recall khadi justice. (Rotchild-Whitt makes a similar observation a propos five Californian co-ops). Whatever the results obtained, this method satisfies members' desire to be protagonists of the decisions taken, and the co-existence of the two principles is ensured - as long as there is a continual evocation of utopia to legitimate the profane choices in the everyday (6).

The contradiction which ran the movement of the seventies, and which lies at the root of its defeat - the conflict between the opposition principle which led to libertarian law - breaking and overturning of rules in the short-term, and the principle of totality which exhorted a collective project with deferred gratification (Touraine 1974) - still has its effects today in the microcosm of the few co-ops born out of that defeat. But unlike then, when one stormed against some invisible and omnipotent boss, now it is the very people who have the contradiction inside them who have to decide how it is to be coped with in their own lives.

But this is the dilemma on which every co-operative pact is founded. From here springs the interest of research which, taking this dilemma as a postulate, sets out to study the differences in the empirical solutions which are attempted on the way.

Giuseppe Bonazzi

NOTES

1) The co-ops we studied are as follows (field of activity, location of head office, and year of foundation also given):

- Agrovalli, land improvement, drainage, etc., Pinerolo, 1983
- COAP, consumer co-op, Turin, 1982
- Educazione & Progetto, welfare for children, and social research, Turin, 1978
- Expocoop, erection and equipping of exhibition pavilions, Turin, 1984
- In/contro, social work with ex-drug addicts and the handicapped, Turin, 1982
- Il margine, community and welfare services, Collegno, 1979
- IMP, land improvement, drainage, etc., Susa, 1983
- Isotalco, manufacture heat resistant materials for electrical components, Pinerolo, 1984
- La Brousse, manufacture electronic components, Ivrea, 1982
- La Nuova co-operativa, cleaning, Collegno, 1980
- Le Mani, handicrafts and cleaning, Turin, 1982
- Reme, hydraulic and electrical plant, Turin, 1982
- Socar, industrial engineering, Turin, 1984
- TIG, electrical and industrial plant, Turin, 1983

- Vivere, welfare services for old people and the sick, Turin, 1985

These co-ops share the fact of possessing the economic and social features required to ask for special credit terms from the Region (as defined by the Piedmont regional law no. 28, of June 1984). There is no official record of the number of co-ops which qualify. In a preliminary search in the Region's records and those of various organizations which encourage the establishment of co-ops, we found 57 co-ops which met the requirements in Piedmont as a whole, and of these 42 operated in the province of Turin. These 42 co-ops thus make up the universe from which our sample of 16 was selected. We chose these 16 on the criteria of proportionality by sector in which activity was carried out, and by geographical location of head office.

The method adopted in the research was that of recorded interview (following an introductory conversation) with the chairman of each co-op, and at least one other member of the management committee.

In approximately half the cases, this information was supplemented by information obtained from the two co-op associations, trade unions, and various offices of the Regional administration.

- 2) An in-depth investigation of these years has not yet been carried out. For an analysis which, although

drawing on the copious sources available, gives its own interpretation of the dynamics in play, see C. Sabel, 1982. Some hints on the orientations of the activists of those years come from as yet unfinished research undertaken by the present writer, on a sample of 138 activists who took part in the "35 day struggle" at FIAT in 1980. One of the findings was that 39% of these people believed, at least for a time, that the struggles in the factories would turn into a victorious revolution in the streets, along the lines of the October Revolution; a further 31% thought that the strikes would bring substantial changes in Italian society, and only 30% said they never thought the struggles in the factories could have had an effect on the political structure of the country (see Bonazzi, 1984).

- 3) This judgement is based on the results - now accepted within organizational sociology - of the research done by the Aston University group see (Pugh and Hickson, 1972 and 1977).
- 4) In terms of the schema proposed by S. Zan (1982) all the co-ops in our sample had a "sandglass" type organization chart. This is easily explained as the result of their small size.
- 5) One might however arrive at similar conclusions by way of motivational psychology, in particular Maslow's scale of needs. Nor should we ignore that line of thought

which questions whether participation is of necessity a positive thing, and which suggests that increases in the freedom of members ought to be measured in terms of the increase in the quality of life, reduction in working hours, increase in free time, etc. (H. Desroche, 1972).

- 6) We might cite a sentence from Weber here, which is full of resonance: "the more the religious character of the position of the kadi is accentuated, the more freely, within the unconstrained sphere of the sacred tradition, moves the free evaluation of the individual case" Economy and Society, Italian ed. vol. 2, p. 292.

CO-OPERATING IN A JOBLESS SOCIETY: A STUDY IN GREATER TURIN

This article examines what fields of activity co-operatives engage in, what the social origins of their leaders are, how the leaders are legitimated, and the relation between economic success and internal democracy in a sample of 16 co-operatives founded in the last few years by unemployed workers in the urban area in and around Turin. Spontaneous origin of co-operatives rather than aided origin turns out to be the main factor in explaining better performance coupled with stronger internal democracy. However the past militance of members in political and union mobilization during the seventies, although it enhances internal democracy, is not sufficient, by itself, to guarantee entrepreneurial success. To fulfill this aim, altruistically oriented but professional leaders are needed.

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VIA BOGINO 21 10123 TORINO